



# California Public Utilities Commission

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## News Release

FOR IMMEDIATE RELEASE

U.S. Supreme Court Docket #: 06A621

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### **PUC SETTLEMENT REQUIRES CINGULAR WIRELESS TO REFUND EARLY TERMINATION FEES TO CERTAIN CUSTOMERS**

SAN FRANCISCO, March 15, 2007 - The California Public Utilities Commission (PUC) today approved a settlement agreement that requires Cingular Wireless (now known as AT&T Mobility) to refund early termination fees (ETFs) collected from its former customers from January 1, 2000 through April 30, 2002. Today's decision brings to an end lengthy litigation arising from the PUC's original decision in this case, which Cingular challenged in court.

The consumer refunds, including interest, total approximately \$18.5 million. In addition, Cingular is required to engage an independent claims administrator to review claims for refunds of additional ETFs paid by former customers to Cingular agents for which records of payment no longer exist.

The PUC assessed a \$12.14 million penalty, which already has been paid by Cingular, and will be transferred from an escrow account to the State Treasury.

"This settlement agreement demonstrates that the PUC takes its enforcement responsibility seriously," said PUC Commissioner John Bohn. "I support this settlement agreement because it will get reparations back to affected consumers expeditiously."

The PUC required these refunds and imposed this penalty after reviewing Cingular's practice of collecting ETFs from customers who cancelled service after using their cell phones because they were not satisfied with their service coverage. The PUC found that Cingular's ETF practice was fundamentally unfair to its customers who were not informed that network coverage might be less than adequate when signing a contract.

The all-party settlement approved by the PUC was entered into between AT&T Mobility LLC (Cingular Wireless), Utility Consumer Action Network, and the PUC's Consumer Protection and Safety Division.

As a result of the settlement adopted today, Cingular will withdraw its petition to the U.S. Supreme court regarding this issue.

For more information on the PUC, please visit [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

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